

BEGIN — JUNE 21, 1959

30.24-7483

A78

(180)

FIRST LEAD BIG FOUR (A45)

BY ARTHUR GAVSHON

GENEVA, JUNE 21 (AP)—NEW DIFFERENCES OF OPINION AROSE AMONG THE WESTERN ALLIES TONIGHT OVER THE TERMS OF A POSSIBLE BERLIN COMPROMISE WITH THE SOVIET UNION.

ON ONE SIDE ARE THE BRITISH, CONVINCED THE WEST CAN NEGOTIATE SOME KIND OF A DEAL WITH THE RUSSIANS ON THE DIVIDED CITY.

ON THE OTHER SIDE ARE THE WEST GERMANS, WHO FEEL THE SOVIETS REALLY DON'T WANT A BERLIN DEAL BUT INSTEAD WANT TO TAKE OVER WEST BERLIN.

THE UNITED STATES AND FRANCE ARE SOMEWHERE IN THE MIDDLE. THE AMERICANS, AND TO A LESSER EXTENT THE FRENCH, ARE SEEKING TO RECONCILE THE BRITISH AND WEST GERMAN VIEWPOINTS WHILE RETAINING A FIRM ATTITUDE TOWARD THE RUSSIANS.

(REPORTS FROM WASHINGTON SAID THE WESTERN POWERS ARE UNITED IN THEIR OVER ALL STAND TOWARD THE SOVIETS. U.S. AUTHORITIES SAID THEY SEE NO CONCRETE CHANGES COMING UP IN WESTERN POLICY.

THEY SAID THE WEST CAN OFFER NO MORE CONCESSIONS ON BERLIN THAN IT HAS ALREADY, BUT IS STILL WILLING TO NEGOTIATE IN GOOD FAITH.)

IF ANYTHING, THE CLOSING DAYS OF THE BIG FOUR TALKS IN GENEVA SUGGESTED THAT THE UNITED STATES HAS BEGUN INCREASINGLY TO CHALLENGE THE INTERPRETATIONS AND LEADERSHIP OFFERED BY BRITISH FOREIGN SECRETARY SELWYN LLOYD.

INDEED, SECRETARY OF STATE CHRISTIAN A. HERTER LEFT HIS FIRST PARLEY WITH THE RUSSIANS FEELING, WITH THE WEST GERMANS, THAT THE COMMUNISTS REALLY ARE OUT TO SUCK ALL GERMANY INTO THEIR SYSTEM AND THAT BERLIN IS JUST THE BEGINNING.

ON THE OTHER HAND, THE BRITISH SEEM FAIRLY SURE THE RUSSIANS IN THE END--AFTER LONG, PATIENT NEGOTIATION--WILL TAKE THE SPING, IN THE FORM OF A TIME-LIMIT, OUT OF THEIR PROPOSALS. THEY FOUGHT HARD TO KEEP THE CONFERENCE GOING BECAUSE IT SEEMED TO THEM THE RUSSIANS WERE BEGINNING TO CHANGE THEIR GROUND ON THIS POINT.

CLEARLY, MORE SEEMS AT STAKE IN THE OUTCOME THAN THE BIG QUESTION OF IF, WHEN AND WHERE AN EAST-WEST SUMMIT PARLEY IS TO BE HELD.

AN ELEMENT OF DOUBT HAS BEEN EXPRESSED BY SOME WEST GERMAN AND AMERICAN AUTHORITIES ON WHETHER THE FOREIGN MINISTERS WILL IN FACT RECONVENE HERE JULY 13, AS ARRANGED, TO CONTINUE THE QUEST FOR A BERLIN SOLUTION.

FOR INSTANCE, WEST GERMAN FOREIGN MINISTER HEINRICH VON BRENTANO TOLD REPORTERS HERE SATURDAY IT WOULD "NOT MAKE MUCH SENSE" TO RESUME BIG FOUR TALKS UNLESS RUSSIA FIRST MODIFIES HER BERLIN PROPOSALS. AND SOME AMERICANS FEEL THE WESTERN ALLIES MIGHT HAVE TO CONSIDER CALLING OFF THE JULY 13 TALKS IF, BEFORE THEN, THE REDS DO ANYTHING HIGHLY PROVOCATIVE.

THERE IS INDEED RAW MATERIAL FOR A FLAREUP BETWEEN EAST AND WEST GERMANS. ON JULY 1 THE WEST GERMANS INTEND ELECTING THEIR NEW PRESIDENT IN WEST BERLIN. THE EAST GERMANS HAVE PROTESTED THIS WOULD BE A PROVOCATION BECAUSE BERLIN IS NOT FEDERAL GERMAN TERRITORY.

LLOYD LEFT GENEVA YESTERDAY "NOT DISATISFIED" WITH THE MARATHON SIX-WEEK DEBATE. HE HAS TOLD FRIENDS HE FEELS EAST-WEST DIFFERENCES HAVE BEEN NARROWED AND HE CONSIDERS A LIMITED BERLIN AGREEMENT IN SIGHT. BUT LLOYD THINKS THERE IS STILL SOME SERIOUS WORK TO BE DONE IN REMOVING VARIOUS "TRAPS" FROM RUSSIA'S PROPOSALS BEFORE THEY CAN BE SAFELY MARRIED WITH THE LIST OF "IMPROVEMENTS" OFFERED BY THE WEST

AS A MEANS OF TAKING THE DYNAMITE OUT OF THE BERLIN POWDER KEG.

ON HIS DEPARTURE TODAY, SOVIET FOREIGN MINISTER ANDREI GROMYKO COLLED ON THE WEST TO SHOW AN "OBJECTIVE APPROACH" TO RUSSIAN PROPOSALS FOR ENDING THE DEADLOCK ON THE BERLIN PROBLEM.

"ON THE EVE OF THE (CONFERENCE) RECESS, THE SOVIET GOVERNMENT SUBMITTED PROPOSALS WHICH IT BELIEVES WOULD FORM A GOOD BASIS FOR REACHING AN AGREEMENT," HE SAID.

"WE WOULD LIKE TO EXPRESS THE HOPE THAT THE WESTERN POWERS WILL SHOW AN OBJECTIVE APPROACH TO OUR PROPOSALS AND WILL PUT NO OBSTACLES IN THE WAY OF REACHING AN AGREEMENT."

THE RUSSIANS IN THEIR FINAL PROPOSALS, CALLED AGAIN FOR THE WESTERN BIG THREE TO ABANDON THEIR OCCUPATION STATUS IN WEST BERLIN. AN 18-MONTH DEADLINE WAS OFFERED, WITH THE POSSIBILITY OF FURTHER TALKS IF NO ACCORD COULD BE REACHED. THE WEST HAS REJECTED THE PLAN, SEEING IN IT A THREAT TO THEIR OCCUPATION RIGHTS.

THESE THEN ARE SOME OF THE FACTORS THAT ARE BOUND TO INVEST THE COMING FEW WEEKS OF INTER-ALLIED CONSULTATIONS BOTH WITH URGENCY AND SIGNIFICANCE:

TWO PARALLEL SETS OF EXCHANGES ARE EXPECTED BETWEEN NOW AND JULY 13:

1. AMONG THE AMERICAN, BRITISH, FRENCH, WEST GERMAN AND OTHER ALLIED GOVERNMENTS. HERE THE AIM WILL BE TO REALIGN THE WEST'S BERLIN, GERMAN, DISARMAMENT AND SUMMIT POLICIES.

2. BETWEEN THE WESTERN AND SOVIET GOVERNMENTS. HERE THE WEST DUBTLESS WILL SEEK TO CLARIFY SOME PROPOSALS MADE BY GROMYKO IN THE CLOSING OF THE GENEVA CONFERENCE. THE RUSSIANS MAY WELL TRY TO PUSH THEIR OLD CASE FOR AN IMMEDIATE, UNCONDITIONAL SUMMIT MEETING.

THE TWO SIDES LEFT GENEVA STILL LOCKED IN DISAGREEMENT AS TO THE FUTURE OF ALLIED RIGHTS IN WEST BERLIN. THE WESTERNERS WANT THOSE RIGHTS MAINTAINED UNTIL GERMANY IS REUNITED. THE EASTERNERS DID NOT WANT TO REAFFIRM ALLIED RIGHTS INDEFINITELY. BUT THE OUTLINE OF A COMPROMISE--IN WHICH THESE RIGHTS WOULD BE ASSUMED RATHER THAN SPELLED OUT--SEEMED TO HAVE BECOME VISIBLE.

IF AND WHEN THE BIG FOUR TALKS ARE RESUMED, THE EXPECTATION IS THAT OTHER MATTERS WILL BE TAKEN UP, LIKE THE ALL-GERMAN QUESTION, EUROPEAN SECURITY, DISARMAMENT AND ARRANGEMENTS FOR A SUMMIT MEETING.

IT WOULD SURPRISE FEW IF IN THE NEXT FEW WEEKS PRIME MINISTER HAROLD MACMILLAN SETS FORTH ON HIS TRAVELS ONCE AGAIN TO TRY TO CONVINCE HIS ALLIES OF AN URGENT NEED FOR A GENERAL RECONCILIATION WITH THE RUSSIANS--BASED ON SMALL BEGINNINGS. IN THIS CONTEXT, HE MIGHT BE EXPECTED TO PRESS ANEW HIS PET PROPOSAL FOR A ZONE OF REDUCED TENSION IN MID-EUROPE AND FOR A BROAD RECOGNITION THAT GERMANY AND EUROPE ARE LIKELY TO STAY DIVIDED FOR A LONG TIME TO COME.

SJ/WH259PED

A110WX

(190) FIRST LEAD HERTER-IKE

BY LEWIS GULICK

WASHINGTON, JUNE 21 (AP)—SECRETARY OF STATE CHRISTIAN A. HERTER RETURNED TO WASHINGTON TODAY REPORTING THAT WHAT RUSSIA REALLY WANTS IS TO PULL WEST BERLIN INTO THE IRON CURTAIN AND EXTEND RED INFLUENCE OVER ALL GERMANY.

HERTER'S FIRST REPORT AFTER HIS RETURN FROM SIX WEEKS OF FRUITLESS TALKS AT GENEVA WAS TO PRESIDENT EISENHOWER.

EISENHOWER CAME BACK TO WASHINGTON LATE IN THE DAY FROM A WEEKEND AT HIS GETTYSBURG, PA., FARM. HERTER TALKED TO THE PRESIDENT BY TELEPHONE.

A SCHEDULED SUNDAY WHITE HOUSE APPOINTMENT FOR HERTER AND UNDER-SECRETARY C. DOUGLAS DILLON TO MEET IN PERSON WITH THE PRESIDENT WAS POSTPONED UNTIL TOMORROW MORNING (TIME NOT YET ANNOUNCED). THE

REASON FOR THE DELAY WAS NOT DISCLOSED.

IN AN AIRPORT STATEMENT, HERTER SLASHED AT THE SOVIETS AND REAFFIRMED WESTERN INTENT TO STAND FIRM BUT STILL NEGOTIATE ON THE GERMAN CRISIS.

FROM EUROPEAN CAPITALS CAME REPORTS OF NEW DIFFERENCES AMONG THE ALLIES. BUT U.S. OFFICIALS UNDERScoreD WHAT THEY SAID HAS BEEN A UNITY WHICH SURPRISED AND CONFOUNDED THE COMMUNISTS.

BRITAIN RIGHT ALONG HAS DIFFERED FROM HER WESTERN PARTNERS BY FAVORING A SUMMIT CONFERENCE REGARDLESS OF WHETHER THE FOREIGN MINISTERS MAKE PROGRESS AT GENEVA. BUT U.S. OFFICIALS DECLARED THIS WAS SEPARATE FROM THE GERMAN QUESTION AND HERTER LAUDED WESTERN UNITY AS "AN OUTSTANDING FEATURE OF THE CONFERENCE."

U.S. OFFICIALS EXPRESSED NO INTENT OF A WESTERN SUMMIT CONFERENCE TO SHORE UP THE ALLIES BEFORE THE RECESSED GENEVA FOREIGN MINISTERS PARLEY RESUMES JULY 13.

AND HERTER HIMSELF HAD NO PLANS FOR GATHERING WITH THE BRITISH AND FRENCH FOREIGN AFFAIRS CHIEFS AGAIN UNTIL JUST A DAY OR TWO BEFORE THE GENEVA REOPENING. THE WESTERN POWERS, IT WAS SAID, ARE ALREADY FIRMLY UNITED IN THEIR STAND TOWARD THE SOVIETS.

AMERICAN AUTHORITIES SAW NO BASIC CHANGE IN PROSPECT FOR WESTERN POLICY BETWEEN NOW AND JULY 13, WHEN IT WILL BE SEEN WHETHER THE COMMUNISTS SHIFT AWAY FROM THEIR HITHERTO UNCOMPROMISING TACTICS.

THEY SAID THE WEST CAN OFFER NO MORE CONCESSIONS ON BERLIN THAN IT HAS ALREADY, BUT STILL STANDS READY TO NEGOTIATE IN GOOD FAITH.

HERTER WAS SAID TO BE REPORTING TO EISENHOWER SUBSTANTIALLY WHAT HAS APPEARED PUBLICLY ON THE GENEVA DEADLOCK. HE WILL TALK TO KEY LEGISLATORS AND GIVE A RADIO-TV ADDRESS EARLY THIS WEEK.

THE SOVIETS SET OFF THE CRISIS LAST NOVEMBER BY DEMANDING AN END TO THE ALLIES' POSTWAR OCCUPATION OF COMMUNIST-ENCIRCLED WEST BERLIN. THE ALLIES SAY THEY'LL BE GLAD TO PULL OUT--UNDER A UNITED, FREE GERMANY, BUT NOT AT THE COST OF A COMMUNIST EXPANSION WHICH THEY SAY IS MOSCOW'S PRICE.

HERTER WAS MET AT THE AIRPORT BY THREE REPUBLICAN SENATE LEADERS--LEVERETT SALTONSTALL (MASS), THOMAS KUCHEL (CALIF) AND FRANK CARLSON (KANS)--UPON HIS MIDDAY ARRIVAL AFTER THE 24-HOUR FLIGHT FROM GENEVA. SEVERAL ADMINISTRATION AND DIPLOMATIC OFFICIALS ALSO GREETED.

HERTER SAID:

"I RETURN FROM THE RECESSED FOREIGN MINISTERS CONFERENCE WITH REGRET THAT NO AGREEMENT WAS REACHED WITH THE SOVIET UNION DESPITE THE UNCEASING EFFORTS OF THE WESTERN FOREIGN MINISTERS."

"THE WESTERN POWERS OFFERED FAR-REACHING PROPOSALS ON GERMAN REUNIFICATION AND EUROPEAN SECURITY AND PUT FORWARD REASONABLE OFFERS TO REACH AN INTERIM AGREEMENT ON WEST BERLIN PENDING GERMAN REUNIFICATION."

"THE SOVIET UNION, HOWEVER, CLEARLY REVEALED THAT ITS TRUE DESIRE IS TO ABSORB WEST BERLIN INTO EAST GERMANY AND TO KEEP GERMANY DIVIDED UNTIL IT CAN BE BROUGHT UNDER SOVIET INFLUENCE."

"IN ALL THE DISCUSSIONS, MY WESTERN COLLEAGUES AND I HAD FOREMOST IN MIND THE FREEDOM OF THE MORE THAN TWO MILLION PEOPLE OF WEST BERLIN. WE WERE DETERMINED, AND REMAIN DETERMINED, TO MAKE NO ARRANGEMENTS WITH THE SOVIET UNION WHICH WOULD UNDERMINE THAT FREEDOM."

"WHEN THE CONFERENCE RESUMES, THE WESTERN FOREIGN MINISTERS WILL BE READY, AS BEFORE, TO NEGOTIATE IN GOOD FAITH, BUT RESOLVED, AS BEFORE, TO STAND FIRM ON RIGHTS AND PRINCIPLES."

"THE UNFAILING UNITY DISPLAYED BY THE WESTERN POWERS AT GENEVA WAS AN OUTSTANDING FEATURE OF THE CONFERENCE. IT GIVES ME CONFIDENCE THAT WE CAN CONTINUE TO FACE THE PROBLEMS AHEAD WITH PATIENCE AND FIRMNESS."

THE SOVIETS AT GENEVA BRUSHED ASIDE THE WEST'S MASTER PLAN FOR AN OVER-ALL SOLUTION TO CREATE A UNITED GERMANY. THEY REJECTED, TOO, FURTHER WESTERN OFFERS WHICH NARROWED DOWN TO A PROMISE TO LIMIT ALLIED TROOP STRENGTHS AND ANTI-COMMUNIST PROPAGANDA IN WEST BERLIN IN RETURN FOR SOVIET GUARANTEES OF ACCESS TO THE CITY.

WHILE UNIFIED ON HOW TO FACE THE REDS ON THIS ISSUE, THE ALLIES ARE SPLIT OVER HOW MUCH PROGRESS THE GENEVA CONFERENCE ITSELF MUST MAKE TO WARRANT AN EAST-WEST MEETING BETWEEN HEADS OF STATE.

THE BRITISH--AND SOVIET PREMIER NIKITA KHRUSHCHEV--SAY THERE SHOULD BE A SUMMIT GET-TOGETHER WHETHER THE FOREIGN MINISTERS MAKE HEADWAY OR NOT. FRENCH, WEST GERMAN AND U.S. OFFICIALS SAY THERE MUST BE ENOUGH ADVANCE PROGRESS TO JUSTIFY A SUMMIT MEETING.

THE SENATORS AT THE AIRPORT SAW NO SIGNIFICANCE IN THE ABSENCE OF DEMOCRATS AMONG THE WELCOMERS. HERTER HAS BEEN GENERALLY POPULAR WITH LEGISLATORS OF BOTH PARTIES.

SALTONSTALL SAID "I'M NATURALLY VERY DISAPPOINTED (WITH THE GENEVA OUTCOME SO FAR) BUT I HOPE THAT THERE CAN BE RESULTS WHEN WE GO BACK AGAIN."

CARLSON SAID: "I THOUGHT THE SECRETARY STOOD THIS BAPTISM OF FIRE VERY WELL AND ESTABLISHED A RECORD TO BE PROUD OF. WE MUST DEAL WITH PATIENCE BUT DEAL FIRMLY."

HERTER PLANNED TO PLUNGE BACK INTO THE MANY TASKS OF HIS OFFICE WHICH HE HAS NOT YET FOUND TIME TO ATTEND TO.

IN THE TWO MONTHS SINCE HE BECAME SECRETARY FOLLOWING THE RESIGNATION OF THE LATE JOHN FOSTER DULLES, HERTER HAS BEEN AT HIS WASHINGTON OFFICE ONLY FOUR WORKING DAYS. THE REST OF THE TIME HE HAS BEEN OFF TO INTERNATIONAL CONFERENCES, MAINLY AT GENEVA.

C7346PED

A27 (320)

MACMILLAN-SUMMIT BUDGET BY ANTHONY WHITE

LONDON, JUNE 21 (AP)-PRIME MINISTER HAROLD MACMILLAN IS STILL DETERMINED TO GO TO AN EAST-WEST SUMMIT MEETING DESPITE FAILURE OF THE FOREIGN MINISTERS CONFERENCE AT GENEVA, IT WAS REPORTED TODAY. EVEN IF THE FOREIGN MINISTERS AGAIN FAIL TO MAKE PROGRESS WHEN THEY RESUME NEXT MONTH MACMILLAN WILL STILL HOLD OUT FOR TOP LEVEL TALKS, DIPLOMATIC SOURCES SAID.

THE BRITISH LEADER WAS REPORTED READY TO ABANDON CAREFULLY LAID PLANS FOR A BRITISH GENERAL ELECTION IN OCTOBER IF A CONFERENCE BETWEEN HIMSELF, PRESIDENT EISENHOWER, FRENCH PRESIDENT CHARLES DE GAULLE AND SOVIET PREMIER NIKITA KHRUSHCHEV COULD BE ARRANGED FOR THIS FALL.

THE SUNDAY PICTORIAL'S DIPLOMATIC CORRESPONDENT SAID MACMILLAN HAS AGREED ON THURSDAY, OCT. 22, AS THE PROVISIONAL DATE FOR THE GENERAL ELECTION, WITH OCT. 15 AND OCT. 29 AS ALTERNATE DATES.

THERE WAS NO IMMEDIATE CONFIRMATION OF THIS. A SUDDEN CHANGE FOR THE WORSE IN THE BERLIN CRISIS COULD COMPEL MACMILLAN TO PUT OFF THE ELECTION UNTIL NEXT SPRING.

THIS WOULD BE HIS LAST CHANCE -- HE MUST CALL AN ELECTION THEN, FOR HIS GOVERNMENT'S FIVE-YEAR TERM OF OFFICE EXPIRES NEXT MAY. MACMILLAN IS BY NO MEANS CERTAIN OF STAYING IN POWER, AND HE WANTS A SUMMIT MEETING BEFORE BRITONS GET A CHANCE TO DECIDE WHETHER HE AND HIS CONSERVATIVE PARTY SHOULD GO OR STAY.

WHILE THE FOREIGN MINISTERS ARE BACK IN THEIR CAPITALS REVIEWING THEIR SIX-WEEKS GENEVA CONFERENCE, MACMILLAN IS EXPECTED TO PRESS UPON HIS WESTERN ALLIES, THROUGH DIPLOMATIC CHANNELS, HIS VIEW OF THE URGENT NEED FOR A CONFRONTATION WITH THE HARD-BARGAINING KHRUSHCHEV.

MACMILLAN BELIEVES THIS IS THE BEST WAY TO GET ANY AGREEMENT OUT OF THE RUSSIANS.

IN MOST BRITISH POLITICAL CIRCLES THIS VIEW IS SUPPORTED. THERE IS A WIDESPREAD OPINION THAT KHRUSHCHEV DID NOT INTEND THAT THE FOREIGN MINISTERS SHOULD ACHIEVE MUCH -- THAT HE WANTED TO RESERVE FOR HIMSELF THE DISTINCTION OF NEGOTIATING AN AGREEMENT WITH THE WEST.

SOVIET SOURCES CONTINUE TO PROFESS OPTIMISM OVER THE POSSIBILITY OF A SETTLEMENT.

IZVESTIA, THE OFFICIAL NEWSPAPER OF THE KHRUSHCHEV GOVERNMENT, DECLARED TODAY "IT IS CLEAR THERE ARE GROUNDS FOR AGREEMENT" IN FUTURE EAST-WEST TALKS ON THE BERLIN PROBLEM.

SAID IZVESTIA: "THE WORK WHICH HAS ALREADY BEEN DONE BY THE MINISTERS HAS, IN THE OPINION OF THE SOVIET GOVERNMENT, A DEFINITE POSITIVE SIGNIFICANCE."

DA126PED

A25

(120)

MOSCOW, JUNE 21 (AP)-IZVESTIA SAID TODAY THE BIG FOUR CONFERENCE HAD TO RECESS BECAUSE SOVIET PROPOSALS ON BERLIN "BEAT THE LAST ARGUMENTS OUT OF THE HANDS OF THE WESTERN DELEGATIONS."

NEVERTHELESS, THE GOVERNMENT NEWSPAPER SAID, THE SOVIET PROPOSALS WENT FAR TOWARD MEETING THE WISHES OF THE WESTERN POWERS AND IT IS NOW "CLEAR THAT THERE IS A GOOD BASIS FOR AGREEMENT."

"THE WORK WHICH ALREADY HAS BEEN DONE BY THE MINISTERS HAS, IN THE OPINION OF THE SOVIET GOVERNMENT, DEFINITE POSITIVE SIGNIFICANCE."

THE PAPER ADDED. "THE POSITIONS OF THE SIDES WERE SHOWN BETTER ON A NUMBER OF QUESTIONS AT THE CONFERENCE, EXISTING DIFFERENCES WERE DEFINED AND AN ATTEMPT MADE TO BRING NEARER, TO A CERTAIN EXTENT, THE POINTS OF VIEW OF THE SIDES ON VARIOUS QUESTIONS." AND ON MANY QUESTIONS RELATING TO THE BERLIN ISSUE THE "POSITIONS OF THE WESTERN POWERS AND THE U.S.S.R. CAME CLOSER."

DA117PED

30.24-7485

A125

(200)

ROME, JUNE 21 (AP)-L'UNITA, OFFICIAL ORGAN OF THE ITALIAN COMMUNIST PARTY, SAID TODAY THE SOVIET UNION HAS PROOF THAT BENITO MUSSOLINI ONCE SERVED THE CZAR AS A SPY.

DOCUMENTS PROVING THIS WERE SHOWN BY PROF. A.S.KORNEEV OF LENINGRAD UNIVERSITY TO ITALIAN HISTORIAN ROBERTO BATTAGLIA ON A RECENT RUSSIAN VISIT THE PAPER SAID.

THE DOCUMENTS PURPORTED TO SAY THAT IN 1915 MUSSOLINI OFFERED AN IMPERIAL RUSSIAN FOREIGN MINISTRY OFFICIAL NAMED GEDENSTROM HIS SERVICES FOR A MILLION FRENCH FRANCS, THEN A CONSIDERABLE SUM. THE NEWSPAPER DID NOT SAY IF HE WAS PAID.

THE STORY WAS BASED ON AN ARTICLE WRITTEN FOR L'UNITA BY BATTAGLIA. MUSSOLINI ALLEGEDLY GAVE THE RUSSIANS SECRET DOCUMENTS ABOUT THE ITALIAN GOVERNMENT DURING ITALY'S 1914-1915 NEUTRALITY IN WORLD WAR I, AND OFFERED TO ORGANIZE A BORDER INCIDENT BETWEEN ITALY AND AUSTRIA. SUCH AN INCIDENT MIGHT HAVE PRECIPITATED ITALY'S ENTRANCE INTO THE WAR AND DIVERTED AUSTRIAN TROOPS FROM THE RUSSIAN FRONT.

L'Unita did not say how Mussolini intended to cause the incident nor how he got his hands on government papers. At that time he was not in government power, but only the director of his newspaper at Milan.

The paper said the border incident plan was rejected by the Russian general staff because of various diplomatic considerations.

FV 909 ped

AP FOREIGN SERVICE ADVANCE FOR MONDAY AMS JUNE 22.

(ADVANCE) STUTTGART, GERMANY, JUNE 21 (AP)-A

"BARRACKS FOR SALE" SIGN WENT UP TODAY BEFORE THE RICKETY OLD NELLINGEN REFUGEE CAMP JUST OUTSIDE TOWN. THE LAST FEW FUGITIVES FROM THE EAST STILL THERE WERE MOVING OUT.

OFFICIALS OF THE UNITED NATIONS HIGH COMMISSION FOR REFUGEES AND WEST GERMAN AUTHORITIES PROVIDED NEW QUARTERS FOR THEM AS PART OF A MAJOR CAMP CLEARANCE PROGRAM DURING WORLD REFUGEE YEAR.

THE NELLINGEN CAMP HAS BEEN HOME TO MANY HUNDREDS OF FOREIGN REFUGEES SINCE THE WAR. AS RECENTLY AS LAST DECEMBER 50 FAMILIES STILL RESIDED HERE. MOST HAVE BEEN IN CAMPS FOR 12 TO 15 YEARS.

ONE, THAT OF JAN KOWALCZYK, HAS BEEN LIVING IN WEST GERMAN REFUGEE CAMPS SINCE THE WAR. IT HAS LIVED IN FOUR OF THEM. KOWALCZYK, HIS WIFE AND EIGHT CHILDREN, HAVE BEEN SHARING THREE ROOMS HERE, WITH A TOTAL AREA OF ABOUT 40 SQUARE YARDS. THE FAMILY COULD NOT EMIGRATE BECAUSE OF KOWALCZYK'S POOR HEALTH.

THE KOWALCZYKS ARE NOW MOVING TO A NEW APARTMENT WITH TWICE AS MUCH SPACE AS THE OLD ONE. THE APARTMENTS WERE CONSTRUCTED WITH FUNDS FROM THE WEST GERMAN GOVERNMENT, THE STATE OF BADEN-WUERTTEMBERG AND THE U.N. HIGH COMMISSIONER'S OFFICE. ABOUT 1,600 NEW DWELLINGS HAVE BEEN BUILT OR ARE UNDER CONSTRUCTION.

IN THE PAST FOUR YEARS THE U.N. HIGH COMMISSIONER'S OFFICE HAS SPENT ABOUT THREE MILLION DOLLARS FOR FOREIGN REFUGEES IN GERMANY. GERMAN SOURCES HAVE ADDED MORE THAN SIX MILLION DOLLARS IN SUPPORT.

BUT THERE ARE APPROXIMATELY 40,000 FOREIGN REFUGEES STILL IN REFUGEE CAMPS. A THIRD OF THEM HAVE BEEN IN THE CAMPS FOR MORE THAN 10 YEARS.

THE FOUR DRAB BARRACKS OF NELLINGEN WERE ADVERTISED IN THE STUTTGART PAPERS. ADVANCE SEARCHES FOR BUYERS HAD PRODUCED ONLY ONE TENTATIVE OFFER, FROM A CONSTRUCTION FIRM THAT MIGHT USE THE

BARRACKS FOR ITS LABORERS FOR SHORT PERIODS. WHATEVER MONEY IS MADE FROM THE SALE WILL GO INTO A CENTRAL FUND FINANCING NEW HOMES FOR REFUGEES.

(END ADVANCE FOR MONDAY AMS JUNE 22-MOVED JUNE 20)
JG931PED

A11

DAMASCUS, SYRIA, JUNE 21 (AP)-THE SYRIAN PRESS SAID TODAY NINE TURKS WERE ARRESTED ON THE BORDER WHILE CROSSING INTO SYRIAN TERRITORY AND WILL BE BROUGHT TO COURT FOR "ILLEGAL INFILTRATION"

ZR1216PED

A123 (160)

MOSCOW, JUNE 21 (AP)-THE SOVIET NEWSPAPER PRAVDA TONIGHT DENOUNCED THE DECISION TO HOLD WEST GERMAN PRESIDENTIAL ELECTIONS IN BERLIN AS A PROVOCATIVE ACT AGAINST COMMUNIST EAST GERMANY.

THE SOVIET COMMUNIST PARTY ORGAN CALLED THE DECISION TO HOLD THE ELECTIONS IN BERLIN ON JULY 1 AN ATTEMPT TO ARRANGE A PROVOCATION "IN ORDER TO AGAIN STIR UP THE SUBSIDING COLD WAR." THE PRAVDA ARTICLE WAS QUOTED BY THE SOVIET NEWS AGENCY TASS.

MAYOR WILLY BRANDT'S RECENT TRIP TO PARIS AND GENEVA WAS MADE TO GET THE WESTERN POWERS TO AGREE TO THE PROVOCATIVE CHOICE OF BERLIN AS THE ELECTION SITE, PRAVDA ASSERTED.

THE EAST GERMAN REDS HAVE THREATENED TO BLOCKADE THE CITY IF ELECTIONS ARE HELD THERE.

WEST GERMAN BUNDESTAG SPEAKER EUGEN GERSTENMAIER HELD OFF ON THE SELECTION OF BERLIN UNTIL LAST FRIDAY WHEN THE BIG FOUR FOREIGN MINISTERS RECESSED THE GENEVA CONFERENCE UNTIL JULY 13.

THE QUESTION OF THE SITE OF THE ELECTION HAD BEEN A TOUCHY ONE WITH THE WEST GERMAN FOREIGN OFFICE AND CHANCELLOR KONRAD ADENAUER OPPOSING THE BERLIN SITE AS BEING ILL-ADVISED DURING THE GENEVA TALKS.

7859PED

A7

JAKARTA, INDONESIA, JUNE 21 (AP)-FOREIGN MINISTER SUBANDRIO RETURNED HOME TODAY AFTER A 59-DAY TRIP WHICH TOOK HIM TO EASTERN AND WESTERN EUROPE, LATIN AMERICA, THE UNITED STATES AND THE MIDDLE EAST.

HE TOLD NEWSMEN HE HAD HAD FRUITFUL AND SATISFACTORY TALKS ABROAD RELATED PRIMARILY TO REACHING "DEEPER UNDERSTANDING" AND CLOSER ECONOMIC RELATIONS.

ZR1212PED

A127

(160)

TAIPEI, FORMOSA, JUNE 21 (AP)--CHIANG KAI-SHEK'S AIR FORCE TODAY COMPLETED A THREE-DAY EXERCISE TO TEST ITS ABILITY TO DEFEND FORMOSA, THE PESCADORES AND THE OFFSHORE ISLANDS.

SOME OF THE OPERATIONS IMPLIED THAT THE NATIONALIST CHINESE COMMAND BELIEVES THE COMMUNISTS MIGHT ATTEMPT PARATROOPER DESCENTS ON THE OFFSHORE ISLANDS OR FORMOSA IF THEY DECIDED TO CREATE A NEW CRISIS.

THE AIR FORCE CARRIED OUT THREE PARATROOP LANDINGS, ONE OF THEM SIMULATING AN INVASION FORCE. THERE ALSO WAS AN AIRDROP OF SIMULATED SUPPLIES ON QUEMOY.

U.S. MAJ. GEN. FRED M. DEAN, COMMANDER OF THE U.S. AIR TASK FORCE ON FORMOSA, WAS QUOTED BY THE DEFENSE MINISTRY AS SAYING AIRBORNE OPERATIONS WERE EFFICIENT AND PRECISE.

U.S. DEFENSE SECRETARY NEIL H. MCELROY WAS QUOTED YESTERDAY AS TELLING THE SENATE FOREIGN RELATIONS COMMITTEE THAT NATIONALIST CHINA AND SOUTH KOREA COULD FIGHT ON THEIR OWN, WITHOUT AMERICAN ASSISTANCE, AGAINST A COMMUNIST ATTACK UNLESS IT PROVES TO BE LARGE SCALE.

THE NATIONALIST CHINESE SAY THEY EXPECT THAT IF THERE IS A NEW ERUPTION IN THE FORMOSA STRAIT AREA IT WILL BE ON A MUCH BIGGER SCALE THAN THE COMMUNIST SHELLING OF QUEMOY AND OTHER OFFSHORE ISLANDS THAT YEAR.

ZR918PED

A1

TAIPEI, JUNE 21 (AP)-TWO CIVILIANS WERE KILLED AND SEVEN OTHERS WOUNDED IN COMMUNIST SHELLING OF A VILLAGE ON QUEMOY FRIDAY, THE OFFICIAL CHINESE NATIONALIST CENTRAL NEWS AGENCY REPORTED.

THE DEFENSE MINISTRY SAID THE REDS FIRED 103 SHELLS AT THE QUEMOY COMPLEX THAT DAY. MOST OF THEM AT QUEMOY ITSELF.

ZR1203PED

A8

TOKYO, JUNE 21 (AP)-GEN. ALFRED M. GRUENTHER, PRESIDENT OF THE AMERICAN RED CROSS, ARRIVED TODAY ON THE FIRST LEG OF A 12-DAY FAR EAST TOUR.

ZR1212PED

A17WX

(500) MILITARY CONFERENCE-BUDGET

BY ELTON C. FAY

ASSOCIATED PRESS MILITARY WRITER

WASHINGTON, JUNE 21 (AP)-EXPLOSIVE TOPICS SUCH AS MISSILES AND MISSIONS OF THE SERVICES WILL BE DEBATED BY THE NATION'S TOP MILITARY LEADERS THIS WEEK IN FACE-TO-FACE SESSIONS BEHIND CLOSED DOORS.

IN A BACKGROUND OF OPEN AND PRIVATE BICKERING AND DISAGREEMENT OVER SOME VITAL DEFENSE PROBLEMS, ABOUT 160 CIVILIAN AND MILITARY CHIEFS OF THE VARIOUS SERVICES WILL BE ON HAND WHEN THE ANNUAL SECRETARIES' CONFERENCE (CAPS S, C) CONVENES THURSDAY NIGHT AT THE QUANTICO, VA., MARINE BASE.

AMONG THEM WILL BE THE CHIEFS OF THE OVERSEAS AND CONTINENTAL UNIFIED AND INDIVIDUAL SERVICE COMMANDS, AS WELL AS THE SERVICE SECRETARIES. THEY WILL BE READY TO HEAR THE PERSONAL VIEWS OF SECRETARY OF DEFENSE NEIL MCELROY--AND EACH OTHER--ON SOME RECENT PRECEDENT-ESTABLISHING POLICIES.

A TOP TOPIC CAN BE THE MASTER PLAN FOR AIR DEFENSE WHICH MCELROY EXPLAINED TO THE SENATE ARMED SERVICES COMMITTEE RECENTLY. BASIC IN THE PLAN IS MCELROY'S IDEA OF A MIXTURE OF THE AIR FORCE'S LONG RANGE BOMARC ANTI-AIRCRAFT MISSILE AND THE ARMY'S SHORTER RANGE NIKE HERCULES, RATHER THAN PICKING ONE OVER THE OTHER TO KEYSTONE THE NATION'S AIR DEFENSES.

MCELROY CALLS IT A "MIX" OF WEAPONS FOR A DEFENSE-IN-DEPTH AIR DEFENSE STRUCTURE. SOME DEMOCRATIC CRITICS ON CAPITOL HILL CALL IT AN UNSATISFACTORY COMPROMISE OF THE HOT ARMY-AIR FORCE FEUD OVER THE TWO WEAPONS.

IN THE PROCESS OF CREATING THE WEAPON MIX PLAN, MCELROY PROPOSES TO TRIM DOWN THE NUMBER OF LAUNCHING SITES AND THUS WEAPONS FOR BOTH THE ARMY AND AIR FORCE SYSTEMS. ON THIS POINT, BOTH SERVICES ARE UNHAPPY. EACH SERVICE HAD HOPED ITS MISSILE WOULD EMERGE AS THE PREDOMINANT WEAPON.

THE EISENHOWER ADMINISTRATION'S DECISION TO REVERSE THE HITHERTO STEADILY ASCENDING AMOUNT OF NEW DEFENSE WEAPONS AGAINST MANNED BOMBERS OF AN ENEMY WAS BASED ON TWO MAIN POINTS:

1. THE ONCOMING, URGENT NEED IS FOR DEFENSE AGAINST BALLISTIC MISSILES, NOT MANNED BOMBERS. THEREFORE, THE PROPOSAL IS TO STEP UP MONEY SPENDING FOR DEVELOPMENT OF THE ZEUS ANTIMISSILE MISSILE SYSTEM.

2. THE MENACE OF ATTACK BY MANNED BOMBERS OF RUSSIA IS LESS THAN PREVIOUSLY ESTIMATED.

INDEED, THE PENTAGON NOW CONCEDES THAT INSTEAD OF THE 600 TO 700 BISON LONG RANGE JET BOMBERS WHICH INTELLIGENCE ESTIMATES OF THREE YEARS AGO SAID THE SOVIET UNION COULD BUILD ONLY A FRACTION OF WHAT NUMBER WAS PRODUCED. THE EXPLANATION NOW, AS GIVEN TO CONGRESS BY MCELROY AND THE AIR FORCE, IS THAT "FOR SOME REASON, BEST KNOWN TO THE SOVIET LEADERS, THEY CHOSE NOT TO DO SO."

IN ANSWER TO A QUESTION, THE AIR FORCE SAID THERE HAS BEEN NO CHANGE, UP OR DOWN, IN ESTIMATED RUSSIAN BOMBER STRENGTH SINCE THE AMENDED ESTIMATE LAST FALL.

30.24-7487

THEREFORE, IF THE DANGER OF ATTACK BY MANNED BOMBERS IS ONLY A FRACTION OF THAT ONCE FORESEEN, THE REASON FOR CONTINUING THE MULTI-BILLION DOLLAR BUILDUP OF DETECTION AND DEFENSE AGAINST THAT TYPE OF ATTACK IS DIMINISHED.

BUT IF THE INTELLIGENCE SYSTEM WAS WRONG ABOUT RUSSIAN BOMBER INTENTIONS, COULDN'T IT BE WRONG ABOUT THE SOVIET EFFORTS IN THE BALLISTIC MISSILE CATEGORY?

THAT QUESTION WAS POSED BY A MEMBER OF A HOUSE APPROPRIATIONS SUBCOMMITTEE EARLIER THIS YEAR WHEN GEN. NATHAN F. TWINING, CHAIRMAN OF THE JOINT CHIEFS OF STAFF, WAS TESTIFYING. HE HAD JUST EXPLAINED THE PARING DOWN FROM THE ORIGINAL 700-BOMBER ESTIMATE.

REP. HARRY S. SHEPPARD (D-CALIF) WONDERED, IF INFORMATION ABOUT THE BOMBERS IS SO DEFINITE, WHY COULD SIMILAR ACCURACY NOT BE ATTAINED REGARDING SOVIET MISSILES.

TWINING OFFERED THIS EXPLANATION: INTELLIGENCE ON PLANES IS EASIER TO GET; WE HAVE BEEN WORKING ON IT SINCE THE END OF WORLD WAR II; "WE PROBABLY HAVE A LITTLE BIT MORE REFINED INTELLIGENCE FOR THAT REASON."

BUT HE ADDED, "I THINK WE HAVE PROBABLY PRETTY GOOD INFORMATION ON THEIR MISSILES, PARTICULARLY THEIR LONG RANGE MISSILES; I THINK THIS IS PRETTY RELIABLE."

RUSSIAN SPEECHMAKERS CLAIM THE SOVIET UNION HAS BOTH INTERCONTINENTAL BALLISTIC MISSILES AND INTERMEDIATE RANGE BALLISTIC MISSILES READY TO USE IN COMBAT. MCELROY, PRESSED ON THIS POINT, EXPRESSES THE VIEW THAT THE AMERICAN LONG-RANGE MISSILES WILL BE READY FOR OPERATIONAL USE AT ABOUT THE TIME RUSSIAN ICBMS BECOME OPERATIONAL, SOMETIMES THIS SUMMER OR FALL.

THE PENTAGON, WHEN ASKED ABOUT THE IRBMS, NOTED THAT USAF THOR MISSILES HAVE BEEN DEPLOYED TO LAUNCHING POSITIONS IN ENGLAND. BUT THERE HAS BEEN ARGUMENT ABOUT HOW TRULY OPERATIONAL THESE FIRST MISSILES ARE.

MCELROY SAYS THE ESTIMATE OF RUSSIA'S ICBM PROGRAM WAS MADE IN THE SAME MANNER AS THAT FOR THE BOMBERS-- AN ESTIMATE OF THE NUMBER WHICH RUSSIA COULD PRODUCE AND THAT AMERICAN PLANNING IS PREDICATED ON THIS.

THE UNITED STATES DOESN'T PROPOSE TO TRY MATCHING RUSSIA, MISSILE FOR MISSILE, SAYS MCELROY, BUT RATHER TO RELY ON A DIVERSIFIED RETALIATORY FORCE OF NUCLEAR WEAPON DELIVERY BY MANNED PLANES AND MISSILES.

THESE SHIFTS IN DEFENSIVE AND OFFENSIVE STRATEGY--MORE MISSILES OF ONE KIND, LESS OF ANOTHER, CHANGES IN THE EMPHASIS ON MANNED BOMBERS AND INTERCEPTORS--HAVE IMPACT ON EACH OF THE SERVICES.

BOMBERS AND INTERCEPTORS--HAVE IMPACT ON EACH OF THE SERVICES. ALSO INVOLVED IS THE INTRICATE MATTER OF COMMAND.

SCHEDULED TO COME TO QUANTICO IS GEN. ERLE PARTRIDGE, CHIEF OF THE NORTH AMERICAN AIR DEFENSE COMMAND, SOON TO RETIRE. IN PARTRIDGE'S COMMAND ARE UNITS OF THE AIR FORCE, ARMY AND NAVY. PARTRIDGE THINKS THE AUTHORITY OVER THESE DIVERSE ELEMENTS OF HIS COMMAND, EVEN UNDER NEW AUTHORITY GRANTED EARLIER THIS YEAR, IS LESS THAN ADEQUATE. HE HAS BEEN WRITING LETTERS SAYING SO.

NOW PARTRIDGE IS COMING IN PERSON TO A PLACE WHERE HE COULD HAVE OPPORTUNITY TO SPEAK UP STRONGLY. HE HAS NOTHING TO LOSE BY BEING OUTSPOKEN BECAUSE HE IS RETIRING AFTER LONG SERVICE IN THE AIR FORCE. THE STRATEGIC WEAPON SYSTEMS ALSO ARE ENTANGLED IN THE INTER-SERVICE WRANGLE.

GEN. THOMAS D. WHITE, AIR CHIEF OF STAFF, HAS SUBMITTED TO MCELROY HIS OWN PROPOSALS REGARDING WHAT MCELROY CALLS "THE TYPE OF COMMAND STRUCTURE FOR OUR STRATEGIC DELIVERY SYSTEM."

MCELROY SAYS THIS INCLUDES THE POLARIS. THE SOLID-FUEL POLARIS IS THE NAVY'S VERSION OF AN IRBM, DESIGNED FOR FIRING FROM SUBMARINES AND, LATER, SURFACE SHIPS.

THE NAVY IS PROUD OF ITS NUCLEAR SUBMARINE-WEAPON SYSTEM, EVEN

THOUGH THE MISSILE HAS YET TO COMPLETE DEVELOPMENT. BUT THE AIR FORCE THINKS THAT SINCE IT HAS BEEN ASSIGNED PRIMARY RESPONSIBILITY FOR STRATEGIC WARFARE IT SHOULD HAVE DIRECTION OF THE POLARIS WEAPON SYSTEM AS WELL AS ITS OWN MEDIUM AND HEAVY BOMBERS, IRBMS AND ICBMS.

WHITE WILL BE AT THE QUANTICO CONFERENCE TO GIVE HIS VIEWS. CZ/GC544PED

COMMUNIST FOREIGN AID

BY EDMONDLE BRETON

WASHINGTON, June 21 (AP)--A STATE DEPARTMENT STUDY SHOWS THE COMMUNIST BLOC'S FOREIGN AID PROGRAM IS STILL SMALL COMPARED WITH U. S. EFFORTS BUT THAT IT IS PAYING OFF.

AT THE SAME TIME, THE DEPARTMENT'S FIGURES TRACE SHARP INCREASES IN THE COMMUNIST GRANT AND LOAN PROGRAM DURING THE RECENT YEARS WHEN U. S. OVERSEAS AID APPROPRIATIONS HAVE BEEN LEVELING OFF.

THE STUDY INDICATES THAT A PRINCIPAL REASON WHY THE COMMUNIST PROGRAMS SEEM TO BE SO EFFECTIVE IN THEIR INFLUENCE ON OTHER NATIONS, IS AN APPARENT WILLINGNESS TO HELP FINANCE SHOWY PROJECTS THE RECIPIENT COUNTRIES WANTED.

ALSO, THE DEPARTMENT SAID, THE COMMUNISTS DID THIS WITHOUT QUIBBLING OVER WHETHER THE PROJECTS WERE ECONOMICALLY JUSTIFIED WHETHER THE RECEIVING GOVERNMENT SHOULD BE REQUIRED TO CLEAN UP SOME OF ITS ECONOMIC PRACTICES OR WHETHER THERE WOULD BE STRICT ACCOUNTING CHECKS.

THE ANALYSIS WHICH HAD BEEN CIRCULATED PRIVATELY, WAS BROUGHT TO LIGHT BY LAST WEEK HOUSE DEBATE ON FOREIGN AID, WHICH CULMINATED IN APPROVAL OF \$3,542,600,000 IN NEW SPENDING DURING THE YEAR STARTING JULY 1--A TOTAL \$366,800,000 LESS THAN PRESIDENT EISENHOWER ASKED. IN COMPARING U. S. AND SOVIET BLOC SPENDING, THE STUDY GAVE THIS PICTURE:

OF THE \$2,384,000,000 EXTENDED BY THE COMMUNISTS THROUGH LAST YEAR TO 18 COUNTRIES, MORE THAN ONE BILLION DOLLARS WAS CONTRACTED FOR DURING 1958, AS CONTRASTED WITH ONLY 11 MILLION IN THE FIRST YEAR OF THE PROGRAM, 1954.

THE UNITED STATES, STARTING SIX YEARS EARLIER, HAS PROVIDED ABOUT 25 BILLION DOLLARS IN LOANS AND GRANTS TO OTHER COUNTRIES. AS AN EXAMPLE OF THE COMMUNIST EMPHASIS ON BACKING SHOWY PROJECTS, THE REPORT SAID THAT IN CAMBODIA WORK HAS BEEN PUSHED ON AN EYE-CATCHING BUILDING FOR THE MINISTRY OF PLANS AND ON A GOVERNMENT RADIO STATION, WHILE THREE FACTORIES LAG FAR BEHIND SCHEDULE.

THE DEPARTMENT COMMENTED ALSO THAT "A GREAT DEAL OF EMPHASIS HAS BEEN GIVEN IN SOVIET PROPAGANDA TO THE FACT THAT ITS AID IS FREE OF ALL STRINGS." BUT THE REPORT SAID A CRACKDOWN ON YUGOSLAVIA SHOWED STRINGS CAN BE ADDED.

IT SAID THAT LAST YEAR, AFTER YUGOSLAVIA'S PARTIAL RECONCILIATION WITH THE SOVIET UNION WENT SOUR, THE U.S.S.R. SUSPENDED A 110 MILLION DOLLAR CREDIT FOR INDUSTRIAL PLANTS AND A 175-MILLION DOLLAR CREDIT EXTENDED JOINTLY WITH EAST GERMANY FOR AN ALUMINUM COMBINE.

THE DEPARTMENT SAID ALSO THAT WHILE THE COMMUNISTS USED LOANS FAR MORE AND GRANTS FAR LESS THAN THE UNITED STATES, THE LOANS CARRIED GENERALLY LOWER INTEREST RATES AND OFTEN WERE REPAYABLE IN COMMODITIES PRODUCED BY THE RECEIVING COUNTRIES RATHER THAN CASH.

REP. HARRIS B. MCDOWELL JR. (D-DEL), WHO MADE THE STATE DEPARTMENT STUDY PUBLIC, SAID THAT AFTER READING "THIS IMPRESSIVE RECORD... NO REASONABLE CITIZEN OF THE UNITED STATES CAN REMAIN COMPLACENT... THIS WAR IS WAR."

THE BLOC PICKED ITS TARGETS, CONCENTRATING LARGELY ON THE MIDDLE EAST AND ASIA, and Syria, Iraq, Jordan, Lebanon, and the United Arab Republic combined got a total

OF 949 MILLION DOLLARS, OF WHICH 443 MILLION WAS MILITARY AID. INDONESIA RECEIVED 170 MILLION DOLLARS MILITARY AID AND 194 MILLION ECONOMIC. INDIA, WHICH THE UNITED STATES HAS ASSISTED WITH MORE THAN \$1,300,000,000, ALSO RECEIVED FROM THE SOVIET BLOC 304 MILLION DOLLARS IN ECONOMIC AID.

THE DEPARTMENT DESCRIBED AFGHANISTAN AS THE ORIGINAL TARGET IN THE BLOC'S ECONOMIC DRIVE. THIS SMALL COUNTRY ON THE SOVIET UNION'S ASIATIC FRONTIER RECEIVED 127 MILLION DOLLARS IN ECONOMIC AID AND 32 MILLION IN MILITARY AID.

THE BLOC ECONOMIC PROGRAM, MOREOVER, EXTENDS INTO THE WEST. ICELAND OBTAINED A \$1,900,000 CREDIT FROM CZECHOSLOVAKIA FOR THREE POWER PLANTS AND A \$3,200,000 CREDIT FROM EAST GERMANY FOR FISHING VESSELS, LATER REFINANCED BY THE SOVIET UNION. THE ISLAND REPUBLIC IS ALLOWED TO REPAY IN FISH.

THE STATE DEPARTMENT REPORT SAID ARGENTINA SIGNED AN AGREEMENT WITH THE U.S.S.R. FOR A 100 MILLION DOLLAR CREDIT, REPAYABLE IN EXPORTS, FOR PETROLEUM EQUIPMENT.

BRAZIL, THE REPORT SAID, CONTRACTED WITH POLAND FOR CREDIT PURCHASE OF 14 COASTAL FREIGHTERS VALUED AT \$24,100,000. REPAYMENT WILL BE IN COFFEE AND OTHER COMMODITIES.

THE REPORT ALSO INDICATES THE COMMUNIST BLOC IS LEARNING SOME OF THE WOES CONNECTED WITH FOREIGN AID. IN CEYLON, FOR INSTANCE, IT SAID, THE CZECH CONTRACTOR FOR A SUGAR FACTORY CONSTRUCTION HAS BEEN BATTLING IN COURT WITH A CEYLONESE SUBCONTRACTOR. AND AN EAST GERMAN SUGAR MILL IN INDONESIA "COST MUCH MORE THAN ORIGINALLY PLANNED, WAS COMPLETED FAR LATER THAN SCHEDULED, AND BROKE DOWN ON ITS TRIAL RUN. . . MUCH PUBLIC CRITICISM HAS RESULTED."

A121WX

HUMPHREY (290)

WASHINGTON, JUNE 21 (AP)-SEN. HUBERT H. HUMPHREY (D-MINN) SAYS CONGRESS NEEDS A LARGER STAFF OF EXPERTS TO HELP LEGISLATORS SIZE UP THE PRESIDENT'S FOREIGN POLICY PROPOSALS.

WRITING IN THE QUARTERLY, "FOREIGN AFFAIRS", HUMPHREY SAYS THERE IS A SERIOUS IMBALANCE BETWEEN THE STAFFS AVAILABLE TO THE EXECUTIVE BRANCH AND THOSE ASSISTING CONGRESSIONAL COMMITTEES, AND ADDS:

"FACED WITH AN IMPRESSIVE CASE BY THE ADMINISTRATION, AND UNARMED WITH COUNTER FACTS AND ARGUMENTS, EVEN A CONSCIENTIOUS SENATOR SOMETIMES VACILLATES BETWEEN GIVING A GRUDGING CONSENT AND OPPOSING FOR THE SAKE OF OPPOSING..."

"ADEQUATE STAFFING WILL ALONE ENABLE CONGRESS TO ESCAPE FROM UNIFORMED ACQUIESCENCE ON THE ONE HAND AND IRRESPONSIBLE OBSTRUCTION ON THE OTHER."

HUMPHREYS SAYS THERE ARE ONLY 35 INDEPENDENT EXPERTS NOW AVAILABLE TO THE SENATE AND HOUSE FOREIGN AFFAIRS AND ARMED SERVICES COMMITTEES AND THE LEGISLATIVE REFERENCE SERVICE.

THE SIZE OF THIS STAFF, HE WRITES, IS OUT OF ALL PROPORTION TO ITS RESPONSIBILITY OF EXAMINING INTERNATIONAL AND DEFENSE BUDGETS TOTALLING 48 BILLION DOLLARS A YEAR.

THE MINNESOTAN SAYS HIS EXPERIENCE AS CHAIRMAN OF THE SENATE FOREIGN RELATIONS SUBCOMMITTEE ON DISARMAMENT CONVINCES HIM THAT FUNCTIONAL AS WELL AS GEOGRAPHIC AREAS SHOULD BE ACCORDED SUBCOMMITTEE STATUS, AND THAT ALL SUBCOMMITTEES WORTH CREATING ARE WORTH AN INDEPENDENT STAFF OF EXPERTS.

HUMPHREY REPEATS TWO OTHER PROPOSALS HE HAS MADE BEFORE TO CORRECT WHAT HE BELIEVES ARE WEAKNESSES RESULTING FROM "FRAGMENTATION" OF THE EXECUTIVE AND LEGISLATIVE BRANCHES.

HE FAVORS CREATING IN THE EXECUTIVE BRANCH A PERMANENT RESEARCH AND POLICY-ANALYZING AGENCY CHARGED WITH THINKING ABOUT COMPREHENSIVE NATIONAL STRATEGY AND COORDINATING POLICIES IN THE FOREIGN AND DOMESTIC FIELD.

A COUNTERPART TO THIS GROUP WOULD BE CREATED IN CONGRESS TO EMBRACE THE CHAIRMEN AND RANKING MINORITY MEMBERS OF THE MAJOR

CZ529PED

SENATE AND HOUSE COMMITTEES.

HUMPHREYS SUGGESTS ALSO THAT OTHER SENATORS MIGHT BENEFIT IN COMPREHENDING THE LIMITS AND POSSIBILITIES OF FOREIGN POLICY, AS HE HAS DONE, BY GOING ABROAD TO TALK WITH LEADERS OF FOREIGN GOVERNMENTS. HE SAYS HE BENEFITED GREATLY BY HIS VISIT WITH SOVIET PREMIER NIKITA KHRUSHCHEV.

CZ/GG853PED NM

A92WX

(290) NAVY-FRANKE

WASHINGTON, JUNE 21 (AP)-THE NAVY IS LOOKING FOR WAYS TO PROTECT ITS RECONNAISSANCE PLANES FROM ATTACK, SECRETARY OF THE NAVY WILLIAM B. FRANKE SAID TODAY.

FRANKE SAID INVESTIGATION OF THE ATTACK LAST TUESDAY ON A NAVY PLANE OVER THE SEA OF JAPAN "MAY LEAD TO MANY RECOMMENDATIONS WHICH AREN'T CURRENT AT THE PRESENT TIME."

BUT HE WOULD NOT SAY WHETHER FIGHTER PLANE PROTECTION SHOULD BE ORDERED FOR THE SLOW RECONNAISSANCE CRAFT IN AREAS WHERE THEY MIGHT BE ATTACKED BY RUSSIAN-TYPE MIGS. BUT HE SAID:

"I CERTAINLY THINK WE HAVE TO EXAMINE HOW WE'RE GOING TO DO THIS JOB IN THE FUTURE AND THIS IS ALSO PART OF THIS INVESTIGATION."

THE PENTAGON HAS SAID COMMANDERS ON THE SPOT HAVE LEEWAY TO DECIDE WHETHER RECONNAISSANCE PLANES SHOULD BE ESCORTED.

FRANKE DISCUSSED THE SITUATION IN A TV SHOW IN WHICH HE PARTICIPATED WITH REPS. F. EDWARD HEBERT AND HALE BOGGS, LOUISIANA DEMOCRATS. THE SHOW WAS FILMED FOR NEW ORLEANS STATION WDSU-TV.

TO HEBERT'S QUESTIONS ABOUT REPORTS OF A MUNITIONS LOBBY, FRANKE SAID NEITHER HE NOR SUBORDINATES WITH WHOM HE HAD TALKED "FOUND THE SLIGHTEST PRESSURE FROM CONTRACTORS."

HEBERT WILL HEAD AN INVESTIGATION NEXT MONTH INTO THE ROLE OF RETIRED OFFICERS WORKING FOR DEFENSE CONTRACTORS. FRANKE TOLD HIM THAT RULES ON IMPROPER ACTIVITIES FOR SUCH OFFICERS SHOULD BE UNIFORM IN ALL SERVICES.

"THE NAVY RULE IS THAT YOU ARE PROHIBITED FOR LIFE FROM SELLING," HE SAID.

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A120WX

(330) WASHINGTON, JUNE 21 (AP)-A POLITICAL UNION LIKE THE UNITED STATES OF AMERICA IS A DEFINITE AIM OF THE LEADERS OF THE EUROPEAN COMMUNITY. ONE OF THEM SAYS THAT IS WHY THEY TOOK THEIR JOBS IN THE FIRST PLACE.

IN A TELEVISION INTERVIEW (NBC MEET THE PRESS), ETIENNE HIRSCH, PRESIDENT OF THE EUROPEAN ATOMIC ENERGY COMMUNITY, SAID IT IS ABSOLUTELY TRUE THAT THE HEADS OF THE COMMUNITY LOOK FORWARD TO A POLITICAL UNIFICATION OF THE SIX NATIONS IN THE ORGANIZATION.

THESE ARE FRANCE, WEST GERMANY, BELGIUM, THE NETHERLANDS, ITALY AND LUXEMBOURG.

BESIDES HIRSCH, THOSE INTERVIEWED WERE WALTER HALLSTEIN, PRESIDENT OF THE EUROPEAN ECONOMIC COMMUNITY (COMMON MARKET), AND PAUL FINET, PRESIDENT OF THE COAL AND STEEL COMMUNITY. HALLSTEIN IS GERMAN, HIRSCH IS FRENCH, AND PINET A BELGIAN.

IN VARYING DEGREES, HALLSTEIN AND PINET REFLECTED THE VIEWS OF HIRSCH WHO SAID THEY WOULDN'T HAVE TAKEN THEIR JOBS "IF WE DIDN'T DO THAT IN ORDER TO ACCELERATE THE UNIFICATION OF EUROPE."

"AND," HE ADDED, "THIS PROCESS HAS STARTED. WE HAVE GREAT CONFIDENCE OF ACHIEVING . . . A REAL UNITED STATES OF EUROPE."

HE DOUBTED THAT RISING NATIONALISM IN FRANCE WOULD FOREVER HINDER UNIFICATION AIMS. HE SAID THE YOUNGER GENERATION OF THAT COUNTRY KNOWS THAT THE ONLY HOPE FOR A CHANCE FOR SURVIVAL OF EUROPEAN CULTURE IS TO UNITE.

THE THREE LEADERS SAID THE DIVISION OF GERMANY IS A PROBLEM BUT IT DOES NOT SET UP A BLOCK TO POLITICAL INTEGRATION ON THE CONTINENT.

PRESIDENT HALLSTEIN SAID HE BELIEVED LUDWIG ERHARD WOULD FAVOR EUROPEAN UNITY IF HE BECAME CHANCELLOR OF GERMANY. THIS WAS IN REPLY

Sheet 7490 for rest of story

A64CX (LA)

(180) CHICAGO, JUNE 21 (AP)-AN ARGONNE NATIONAL LABORATORY CHEMIST SAID TODAY PRESENT RADIOACTIVE FALLOUT MAY INCREASE CANCER DEATHS AMONG CHILDREN.

JACK SCHUBERT, CHIEF CHEMIST IN THE LABORATORY'S DIVISION OF BIOLOGICAL AND MEDICAL RESEARCH, SAID CURRENT FALLOUT MAY INCREASE THE DEATH RATE FROM CANCER IN THE 0-10 AGE GROUP BY ONE PER CENT. SCHUBERT SAID ALSO THAT THE EFFECT OF ADMINISTRATION OF RADIOISOTOPES FOR DIAGNOSTIC PURPOSES TO PREGNANT WOMEN SHOULD BE RE-EVALUATED.

IN AN ARTICLE PUBLISHED TODAY IN THE JUNE BULLETIN OF THE ATOMIC SCIENTISTS, SCHUBERT SAID THE CONTRIBUTION TO CANCER DEATHS FROM FALLOUT AND NATURAL BACKGROUND RADIATION MAY BE GREATER IN AREAS CLOSE TO ATOMIC TESTING SITES OR INCASES OF MOMENTARY HIGH EXPOSURE TO RADIATION.

THE CHEMIST SAID HE BASED HIS ASSUMPTION ON FINDINGS OF A GROUP OF BRITISH DOCTORS THAT CHILDREN WHO HAD BEEN X-RAYED BEFORE BIRTH "ARE ABOUT TWICE AS LIKELY TO DIE OF A MALIGNANT DISEASE BEFORE THEIR TENTH BIRTHDAY AS OTHER CHILDREN."

SCHUBERT SAID THE CANCER DEATH RATE IN THE 0-10 YEAR AGE GROUP IS ABOUT 1 DEATH PER 10,000 CHILDREN A YEAR.

AB325PCD

A96

NEW YORK, JUNE 21 (AP)-IT MUST BE PRESUMED THAT SOME RUSSIAN SUBMARINES ARE CAPABLE OF APPROACHING AMERICAN SHORES AND ATTACKING U.S. CITIES WITH BALLISTIC MISSILES, DEWEY SHORT, ASSISTANT ARMY SECRETARY, SAID TODAY.

HE SAID THE SOVIET NAVY HAS 500 OPERATIONAL SUBMARINES, A FORCE THAT "IS PROBABLY RUSSIA'S MOST SERIOUS THREAT TO OUR EXISTENCE."

SHORT SAID AMERICANS HAVE BEEN INCLINED TO OVERLOOK THE RUSSIAN SUBMARINE STRENGTH "DUE TO THE PUBLICITY GIVEN TO THE SPUTNIKS."

HE ADDRESSED MORE THAN 2,500 PERSONS AT A CELEBRATION MARKING THE 65TH ANNIVERSARY OF THE UKRAINIAN NATIONAL ASSN.

MG658PED

A82NA

(260)

ADVANCE FOR 10 P.M. EST TODAY, SUNDAY, JUNE 21

SOUTH BEND, IND., JUNE 21 (AP)-VIRGINIA'S BUDGET-CONSCIOUS SEN. HARRY F. BYRD WARNED TONIGHT THAT THE UNITED STATES IS PLAYING RUSSIA'S GAME BY SADDLING ITSELF WITH NEARLY A TRILLION DOLLARS IN DEBTS.

THE DEMOCRATIC LAWMAKER SAID OVER THE MANION RADIO FORUM THAT FEDERAL, STATE AND LOCAL GOVERNMENT DEBTS THIS YEAR WILL APPROACH 350 BILLION DOLLARS--ADDED TO SOME 500 BILLION IN PRIVATE DEBTS.

"WHEN INDIVIDUALS BECOME INSOLVENT THEY TAKE BANKRUPTCY AND DISPOSE OF THEIR OBLIGATIONS," BYRD SAID. "WHEN GOVERNMENTS BECOME INSOLVENT, THEIR MONEY BECOMES WORTHLESS AND THEY GO THROUGH A REVOLUTION WRINGER."

"THE NATURE AND PROCESS OF SUCH REVOLUTIONS MAY VARY, BUT INVARIABLY THE FORM OF GOVERNMENT IS CHANGED. THERE IS NO REASON TO THINK FREE ENTERPRISE DEMOCRACY AS WE HAVE KNOWN IT COULD SURVIVE. THIS WOULD BE ACCORDING TO THE RUSSIAN PLAN."

BYRD CALLED FOR LOUD PUBLIC PROTEST AGAINST A FEDERAL DEFICIT HE ESTIMATED WILL TOTAL ABOUT 13 BILLION DOLLARS WITH THE END OF THE CURRENT FISCAL YEAR THIS MONTH--THE HIGHEST RED INK FIGURE IN PEACETIME HISTORY.

THE NATION'S FISCAL STATUS IN THE LAST 18 MONTHS HAS WORSENERD FASTER THAN IN ANY COMPARABLE PERIOD OF PEACE, THE SENATOR ASSERTED. HE BLAMED MUCH OF THE TROUBLE ON INTERNAL SPENDING DEMANDED IN THE FORM OF GOVERNMENT SUBSIDIES BY "SELFISH AND HIGHLY ORGANIZED MINORITIES."

BYRD SPOKE ON THE WEEKLY POLITICAL COMMENTARY PROGRAM HEADED BY CLARENCE MANION. FORMER DEAN OF THE UNIVERSITY OF NOTRE DAME LAW

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SCHOOL. THE PROGRAM IS RECORDED AND HEARD OVER INDEPENDENT RADIO STATIONS ACROSS THE COUNTRY.

(END ADVANCE FOR 10 P.M. EST TODAY, SUNDAY JUNE 21)

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(160)

DETROIT, JUNE 21 (AP)-NEITHER THE UNITED STATES NOR RUSSIA "IS WILLING TO RISK THE HORRORS OF MODERN WAR, THE OUTBREAK OF WORLD WAR III" TO END THE EAST-WEST STALEMATE IN EUROPE, DR. CHARLES MALIK SAID TODAY.

MALIK, PRESIDENT OF THE UNITED NATIONS GENERAL ASSEMBLY, TOLD A PRESS CONFERENCE HE SAW LITTLE HOPE OF SETTLING THE CURRENT BERLIN CRISIS "IF YOU MEAN BY 'SETTLEMENT', THE REMOVAL OF ALL SOURCES OF DISAGREEMENT."

"THERE IS A REAL DEADLOCK OF POLICY AND POWER THERE," MALIK SAID. "SO THERE IS VERY LITTLE LIKELIHOOD OF ANY PHYSICAL CLASH--AN OUTBREAK OF WAR--BECAUSE OF THESE POLICY AND POWER DIFFERENCES."

MALIK, IN TOWN TO RECEIVE AN "OUTSTANDING ACHIEVEMENT AWARD" FROM THE DETROIT LEBANESE-SYRIAN CIVIC ASSN., SAID THE UN DID NOT CONDUCT THE TALKS ON THE BERLIN CRISIS BECAUSE IT "NEVER WAS INTENDED TO PREVENT ITS MEMBERS FROM SETTLING DISPUTES BETWEEN THEMSELVES."

"THE UN IS THE LAST RESORT IN INTERNATIONAL DISPUTES," HE SAID. "THE FIRST IS THAT THE NATIONS SHOULD TRY TO SETTLE THEIR PROBLEMS THEMSELVES."

"IT IS CONCEIVABLE, HOWEVER, THAT THE BERLIN QUESTION EVENTUALLY COULD COME TO THE UN," HE SAID.

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A31BX

(240)

(ADVANCE FOR USE AT 8 P.M., EST)

(ADVANCE) BOSTON, JUNE 21 (AP)-RICHARD CARDINAL CUSHING TONIGHT URGED COURSES ON COMMUNISM IN HIGH SCHOOLS AND COLLEGES, EXPLAINING "I DON'T KNOW HOW WE CAN AROUSE OUR PEOPLE FROM APATHY AND INDIFFERENCE UNLESS WE TEACH COMMUNISM."

THE CATHOLIC ARCHBISHOP OF BOSTON EMPHASIZED:

"AND WE SHOULD TEACH IT FOR WHAT IT IS--AN INTRINSIC EVIL--LIKE A MEDICAL STUDENT BEING TAUGHT ABOUT CANCER AND ABOUT THE NATURE OF CANCER."

IN A PROGRAM FILMED FOR PRESENTATION OVER A BOSTON TELEVISION STATION (WBZ-TV), THE CARDINAL SAID "MANY DO NOT GO ALONG WITH ME" THAT COMMUNISM SHOULD BE TAUGHT IN SCHOOLS.

"THE POINT IS," HE CONTINUED, "MANY DO NOT BELIEVE IN THAT BECAUSE THEY THINK IF WE TEACH THE CHILDREN COMMUNISM, SOME OF THE CHILDREN MIGHT THINK OF THIS AS A GOOD-A NEW WAY OF LIFE."

"THE PROBLEM IS TO GET THE RIGHT TEACHERS TO INSTRUCT CHILDREN IN THE TRENDS OF COMMUNISM...AND AT THE SAME TIME TEACH THEM ABOUT GOD."

THE PRELATE ADDED:

"I DON'T KNOW HOW I CAN AROUSE OUR PEOPLE FROM APATHY AND INDIFFERENCE UNLESS WE TEACH COMMUNISM..."

"IF I WERE INVITED TO GIVE A TALK THIS DAY, AND IT WAS ANNOUNCED THAT I WOULD TALK ON COMMUNISM, I THINK I WOULD BE TALKING TO MYSELF..."

"IT IS A SHAME TO FIND THAT THE GREATEST COUNTRY IN THE WORLD SHOULD BE SOLD DOWN THE RIVER OF DECEIT AND SOLD RAPIDLY AWAY BECAUSE OF LACK OF INTEREST--LACK OF ENTHUSIASM--FOR THE IDEALS AND WELFARE OF THE COUNTRY."

CARDINAL CUSHING URGED PRAYERS FOR COMMUNIST LEADERS, SAYING:

"IF WE HAD THE ENTHUSIASM OF SOME OF THE OUTSTANDING COMMUNISTS IN THE WORLD, AND APPLIED IT ALL TO THE PERPETUATION AND EXTENSION OF THE MORAL PRINCIPLES AND THE LOVE OF GOD AND LOVE OF MAN THROUGHOUT THE WORLD, WE WOULD BE ABLE TO CHANGE THE FACE OF THIS EARTH."

CB156PED

A140

(190)
NEW YORK, JUNE 21 (AP)--GEORGE V. ALLEN, DIRECTOR OF THE UNITED STATES INFORMATION AGENCY, SEES THE GENEVA CONFERENCE AS A PROPAGANDA VICTORY FOR THE WEST. BUT HE ADDS IT IS SOMEWHAT HALLOW. *hollow*
ALLEN SAID TODAY IN A TELEVISION PROGRAM, "ABC'S COLLEGE NEWS CONFERENCE":

"I THINK WE WON THE VICTORY, THANKS TO THE WORK OF SOVIET PRIME MINISTER KHRUSHCHEV WHO, ALL DURING THE CONFERENCE, WAS MAKING SPEECHES IN ALBANIA, PRAGUE AND MOSCOW COMING OUT MORE AND MORE CATEGORICALLY SAYING THAT THE PURPOSE OF THE SOVIET UNION WAS TO DRIVE THE WESTERN POWERS OUT OF THE CITY OF BERLIN.

"FROM THAT POINT OF VIEW, I THINK THAT HE PULLED THE RUG OUT FROM UNDER THE GENEVA CONFERENCE BY THE SIDE REMARKS HE WAS MAKING WHILE WE WERE SERIOUSLY TRYING TO NEGOTIATE A SETTLEMENT OF DIFFERENCES BETWEEN THE U.S. AND THE SOVIET UNION."

ALLEN ADDED HE WASN'T PLEASED WITH THE PROPAGANDA VICTORY, HOWEVER, BECAUSE "I DON'T WANT IT AT THE EXPENSE OF A SERIOUS SETTLEMENT OF DISPUTES BETWEEN THE NATIONS OF THE WORLD."

HE SAID RED CHINA IS PUTTING ON A STRANGELY HEAVY PROPAGANDA DRIVE IN LATIN AMERICA.

"RED CHINA RADIO IS NOW BROADCASTING FOUR OR FIVE HOURS PER DAY IN SPANISH," HE SAID. "THE RED CHINESE ARE SENDING GREAT ACROBATIC TEAMS ALL OVER LATIN AMERICA. THEY'RE PUTTING OUT THEIR BOOKS AND PROPAGANDA AND MAKING A GREAT DRIVE."

A132

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(380)
ADVANCE FOR USE AT 5 P.M. EST SUNDAY JUNE 21
BY MILTON BESSER

(ADVANCE) UNITED NATIONS, N.Y., JUNE 21 (AP)--PROSPECTS ARE BRIGHT FOR CONTINUED RAPID GROWTH OF EGYPT'S INDUSTRY, U. N. ECONOMISTS SAID TODAY.

EGYPT'S INDUSTRIAL PROGRESS WAS CITED IN A REPORT ON ECONOMIC DEVELOPMENTS IN THE MIDDLE EAST IT ALSO NOTED A MARKED INCREASE IN OIL PRODUCTION FOR THE ENTIRE AREA IN 1957 AND 1958.

EGYPT AND SYRIA MAKE UP THE UNITED ARAB REPUBLIC, BUT THE ECONOMISTS TREATED THEM SEPARATELY. SYRIA'S INDUSTRY, THEY SAID, SHOWED LITTLE SIGN OF GROWTH EITHER IN 1957 OR 1958.

THE ECONOMISTS' FINDINGS IN EGYPT INCLUDED:

INDUSTRIAL PRODUCTION IN 1957-58 CONTINUED TO EXPAND AT CONSIDERABLY HIGHER RATE THAN NATIONAL INCOME, AND CURRENT PLANS FOR EXPANDING INDUSTRIAL CAPACITY SHOULD FURTHER ACCELERATE THE RATE OF GROWTH IN THE IMMEDIATE FUTURE.

THIS WAS ATTRIBUTED TO IMPLEMENTATION OF A FIVE-YEAR INDUSTRIALIZATION PLAN FOR 1957-61. THE PLAN IS EXPECTED TO RAISE INCOME IN THE INDUSTRIAL SECTOR FROM ABOUT 100 MILLION EGYPTIAN POUNDS TO 184 MILLION POUNDS BY THE END OF THE FIFTH YEAR, AND TO 235 MILLION POUNDS TWO YEARS LATER. BY THEN IT SHOULD CREATE EMPLOYMENT FOR ANOTHER 120,000 WORKERS.

(THE EGYPTIAN POUND IS VALUED AT \$2.88 AT THE OFFICIAL EXCHANGE RATE. THE FREE CURRENCY RATE IS AROUND \$2.

(THE ECONOMISTS MADE NO MENTION OF EGYPT'S MUSHROOMING POPULATION. SOME OBSERVERS HAVE SAID THE INCREASE IN JOBS CANNOT BE EXPECTED TO KEEP UP WITH A POPULATION THAT JUMPS A HALF MILLION A YEAR.)

INDUSTRIES NEWLY ESTABLISHED OR EXPANDED INCLUDE THE PRODUCTION OF ELECTRIC LIGHT BULBS, CABLES AND TUBES, MEDICAL PREPARATIONS, CERAMICS AND CHINA, IRON ORE, AUTOMOBILES AND INDUSTRIAL SPARE PARTS, RAILWAY CARS AND RUBBER TIRES, ASSEMBLY OF REFRIGERATORS.

A STEEL MILL WITH AN OUTPUT OF 265,000 TONS A YEAR STARTED PRODUCTION IN 1958 USING IRON ORE MINED NEAR ASWAN. SIGNIFICANT EXPANSION OCCURRED ALSO IN PETROLEUM REFINING, TEXTILE MANUFACTURING, AND IN PRODUCTION OF ELECTRICITY AND SUPERPHOSPHATES.

THESE WERE THE FINDINGS AS TO MIDDLE EAST OIL: PRODUCTION REACHED 214 MILLION TONS IN 1958, AN INCREASE OF 20.7 PER CENT OVER 1957. THE MIDDLE EAST'S SHARE IN WORLD PRODUCTION WAS 23.6 PER CENT IN 1958, COMPARED WITH 20 PER CENT IN 1957.

MAIN CONTRIBUTORS TO THE INCREASED PRODUCTION WERE IRAN AND KUWAIT, WHICH MADE UP FOR A DROP OF 30 PER CENT IN IRAQ'S OIL PRODUCTION IN 1957 AND ACCOUNTED FOR HALF THE TOTAL MIDDLE EAST RISE IN 1958.

EGYPT'S OIL PRODUCTION PASSED THE 3 MILLION-TON MARK IN 1958. A NEW FIELD WAS DISCOVERED IN NORTHEAST SYRIA WITH A CAPACITY OF 2 MILLION TONS A YEAR.

OIL REVENUE OF THE MAJOR PRODUCING COUNTRIES IN THE MIDDLE EAST TOTALED \$1,060,000,000 IN 1957 AND HIT \$1,270,000,000 LAST YEAR.

END ADVANCE FOR 5 P.M. EST JUNE 21; MOVED JUNE 20.

JG955PED

TO A QUESTION ABOUT REPORTS THAT KONRAD ADENAUER CHANGED HIS MIND ABOUT GIVING UP THE CHANCELLORSHIP BECAUSE HE WAS AFRAID ERHARD WOULD BE COOL TOWARD THE COMMON MARKET.

HALLSTEIN SAID IT IS IN LINE WITH THE BASIC IDEAS OF THE MARKET TO EXTEND THE POLICY OF EASY EXCHANGE OF GOODS TO OTHER EUROPEAN COUNTRIES.

REMARKING ON "MANY CHARGES" IN EUROPE, PARTICULARLY IN ENGLAND, THAT THE COMMON MARKET IS SPLITTING EUROPE INTO TWO HOSTILE CAMPS, HALLSTEIN SAID FORMATION OF A SECOND COMMON MARKET--SAY, AMONG ENGLAND AND THE SCANDINAVIAN COUNTRIES--WOULD NOT HURT THE PRESENT GROUP.

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